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EXTRAORDINARY

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MINISTRY OF COMMERCE AND INDUSTRY

NOTIFICATION

*New Delhi, the 6th July 1954*

26 S.R.O. 222 In exercise of the powers conferred by sub-section (1) of section  
m industry Act, 1953 (45 of 1953), the Central Government hereby  
making rules, the same having been previously published as required  
section, namely:—

1. **Short title.**—These rules may be called the Coir Industry Rules, 1954.

2. **Definitions.**—In these Rules, unless the context otherwise requires:—

- (i) "Board" means the Coir Board constituted under section 4 of the Act.
- (ii) "Chairman" means the Chairman of the Board.
- (iii) "Committee" means any Committee constituted by the Board under section 8 of the Act.
- (iv) "Form" means a form set forth in the Schedule to these rules.
- (v) "Member" means a member of the Board.
- (vi) "Secretary" means the Secretary of the Board.
- (vii) "the Act" means the Coir Industry Act, 1953 (45 of 1953).
- (viii) "Vice-Chairman" means the Vice-Chairman of the Board.
- (ix) "year" means the year commencing on the first day of April.

3. **Office of the Board.**—The office of the Board shall be located at Ernakulam.

4. **Constitution of the Board and the manner of filling vacancies.**—(1) The number of persons to be appointed as members from each of the categories specified in sub-section (3) of section 4 of the Act shall be as follows:—

- |   |   |
|---|---|
| (a) growers of coconuts and producers of husks and coir yarn ..   | 5 |
| (b) persons engaged in the production of husks, coir and coir yarn and in the manufacture of coir products .. | 5 |
| (c) manufacturers of coir products .. ..  | 5 |

- (d) dealers in coir, coir yarn and coir products, exporters and internal traders .. .. .
- (e) Parliament—one from the Lok Sabha and one from the Council of States .. .. . 2
- (f) the Governments of the principal cocoanut-growing States .. 5
- (g) such other persons or class of persons who, in the opinion of the Central Government, ought to be represented on the Board .. .. . 1

(2) The Central Government may make such consultations as may be necessary before appointing the members.

(3) When a member dies or resigns or is deemed to have resigned or is removed from office or becomes incapable of acting, the Central Government may by Notification in the Official Gazette, appoint a person to fill the vacancy.

**5. Term of Office.**—(1) Save as hereinafter provided, a member shall hold office for a period of three years from the date of his appointment.

(2) A person appointed to fill a casual vacancy under sub-rule (3) of rule 5 shall hold office for so long as the member, whose place he fills, would have been entitled to hold office, if the vacancy had not occurred.

**6. Resignation.**—(1) A member may resign his office by writing under his hand addressed to the Chairman.

(2) A member of a Committee may resign his office by writing under his hand addressed to the Secretary:

Provided that a member of the Board or the Committee, as the case may be, shall not vacate his office until his resignation is accepted.

**7. Removal from the Board.**—The Central Government may remove any member from his office:

- (a) if he is of unsound mind and stands so declared by a court, or
- (b) if he is an undischarged insolvent, or
- (c) if he is convicted of a criminal offence involving moral turpitude, or
- (d) if, without leave of the Board he fails to attend more than three successive meetings of the Board.

**8. Absence from India.**—(1) Before a member leaves India:

- (a) he shall intimate to the Secretary the date of his departure from, and the date of his expected return to India, and
- (b) if he intends to be absent from India for a longer period than six months, he shall obtain the permission of the Board.

(2) If a member leaves India without observing the provisions of sub-rule (1), he shall be deemed to have resigned with effect from the date of his departure from India.

**9. Vice-Chairman.**—(1) The Board shall in each year elect a member to be Vice-Chairman for a period of twelve months commencing from the date of election.

(2) In the event of the Vice-Chairman resigning his office as such or ceasing to be a member of the Board, the Board shall forthwith elect a member to be Vice-Chairman for the un-expired portion of the term of office of the Vice-Chairman elected under sub-rule (1).

**10. Minimum number of meetings of the Board.**—The Board shall hold a meeting at least once in every quarter. Provided the Board may, with the permission of the Central Government, hold no meeting in any particular quarter.

**11. Power to call meetings.**—(1) The Central Government may at any time call a meeting of the Board.

(2) The Chairman may at any time call a meeting of the Board and shall do so, if a requisition for a meeting is presented to him in writing by at least ten members.

**12. Business by circulation.**—(1) Any business which the Board or Committee is required to transact may, if the Chairman of the Board or of the Committee so directs, be referred by circulation of papers to members, and any resolution or proposal so circulated and approved by the majority of members, who have recorded their views in writing shall be as effectual and binding as if such resolution or proposal were decided by a majority of votes at a meeting:

Provided that at least ten members of the Board or a majority of the members of the Committee, as the case may be, have recorded their views on the resolution or proposal:

Provided further that when a resolution or proposal is referred by circulation of papers, any five members of the Board or three members of the Committee, as the case may be, may require that the resolution or proposal be referred to a meeting and there upon such reference shall be made to a meeting of the Board or the Committee.

(2) When any business is so referred to members by circulation, a period of not less than 14 clear days in the case of the Board and 10 clear days in the case of a Committee shall be allowed for receipt of replies from members. Such period is to be reckoned from the date on which notice of business is issued.

(3) If a resolution or proposal is circulated, the result of the circulation shall be communicated to all the members.

**13. Record of Business.**—(1) A record shall be maintained of all business transacted by the Board or its Committees, and copies of such record shall be submitted to the Central Government.

(2) The record of business transacted at the meetings of the Board and of the Committee shall be signed by the Chairman presiding over such meetings.

(3) When business is transacted by circulation of papers a record of business so transacted shall be signed by the Chairman of the Board or the Committee, as the case may be, directing the circulation.

**14. Budget estimates.**—(1) The Board shall in each year prepare a budget for the ensuing year and shall submit it for the sanction of the Central Government in the second week of October: provided that the first budget shall be so submitted on or before such date as may be appointed by that Government.

(2) Subject to such orders as may be issued by the Central Government from time to time, no expenditure shall be incurred until the Budget is sanctioned by the Central Government and the expenditure is authorised by competent authority.

(3) The Budget shall be in such form as the Central Government may direct and shall include:

(a) the estimated opening balance;

(b) the estimated receipts by way of:

(i) proceeds of the cess made over to the Board by the Central Government under section 14 of the Act.

(ii) Any other fee that may be levied and collected under the Act or the Rules there-under.

(c) the proposed expenditure classified under the following heads or such other heads as the Central Government may direct:—

(i) Administration;

(ii) measures for promoting the sale and increasing the consumption of coir and coir products.

(a) in India; (b) outside;

(iii) research;

(iv) statistics;

(v) others.

(4) The proposed expenditure under each head shall be further classified under the following sub-heads:—

(i) pay of officers,

(ii) pay of establishment,

(iii) allowances, honoraria etc.,

(iv) other charges, contingencies etc.

(5) Supplementary estimates of expenditure shall be submitted for the sanction of the Central Government in such form and on such dates as may be directed by them.

**15. Contracts.**—(1) The Board may enter into contracts, provided that every contract which extends over a period of more than three years or involves expenditure in excess of Rs. 20,000 shall require the previous sanction of the Central Government.

(2) The Board may delegate to the Chairman or the Secretary such power for entering into contracts on its behalf as it may think fit.

(3) Contracts shall not be binding on the Board unless they are executed by the Chairman, or Vice-Chairman and by the Secretary with the previous approval of the appropriate authority concerned, and the common seal of the Board is affixed thereto.

(4) Neither the Chairman nor the Secretary nor any member of the Board shall be liable for any assurance or contract made by the Board, but any liability arising under such assurance or contract shall be discharged from the moneys at the disposal of the Board.

**16. Power to incur expenditure.**—(1) Subject to the provisions of the Act and these rules, the Board may incur such expenditure as it may think fit and write off losses up to Rs. 1,000 in any one case and may delegate to the Executive Committee or to the Chairman or Secretary such financial powers as it may consider expedient:

Provided that, save with the sanction of the Central Government, no expenditure shall be incurred which is in excess of the sanctioned budget allotment under any head.

(2) Reappropriations within a head of expenditure may be made by the Board and subject to clause (d) of rule 22(2) the Board may delegate its powers in this behalf to the Executive Committee.

(3) Reappropriations between heads of expenditure shall not be made save with the previous sanction of the Central Government.

(4) The Board shall not incur expenditure outside India in excess of Rs. 10,000 on any one item without the previous sanction of the Central Government.

**17. Borrowing powers.**—The Board may with the previous sanction of the Central Government borrow, on the security of the Coir Fund or any other of its assets, for meeting its expenses or for any other purpose referred to in Section 10 of the Act:

Provided that no loan shall be taken which is repayable later than six months from the date of the loan.

**18. Accounts of the Board.**—(1) The Board shall maintain accounts of all receipts and expenditure relating to each year.

(2) The audited accounts of receipts and expenditure together with the auditor's report thereon shall be submitted to the Central Government as soon as may be after such accounts are audited and in any case, not later than three months from the close of the year in which they are audited.

(3) An abstract of receipts and expenditure shall be published in the *Gazette of India*.

(4) The accounts of receipts shall be shown under the following heads:—

(a) moneys received under section 14 of the Act.

(b) fees realised on account of licences, registration etc. issued.

(c) any other money received by the Board.

(d) interest received from investments.

(5) The total receipt only shall be shown under each of the heads specified sub-rule (4) and the opening balance, if any, shall also be stated.

(6) Expenditure incurred in the year shall be shown under separate heads and sub-heads.

(7) The closing balance of the year shall be shown at the foot of the accounts the expenditure side:

Provided an annual proforma account on actual basis shall also be prepared bringing out assets and liabilities as well as details of reserves and vestments.

19. *Forms to be used.*—The forms set out in the schedule to these rules shall be used for the purpose of the provisions of the Act or Rules, as the case may be referred to in each form. The Board may either generally or in any particular case require such additions or alterations as it may consider necessary to make to any such form.

20. The Board may call for and maintain such statistics as it considers necessary for the efficient discharge of its duties, including those relating to:—

- (a) spindles and looms in operation,
- (b) quantity and quality of coir yarn and coir products manufactured,
- (c) labour employed,
- (d) wages paid,
- (e) stoppages of work,
- (f) existing plants and additions or reductions thereto,
- (g) quantity and quality of coir fibre, coir yarn or coir products exported,
- (h) amount of cess collected.

21. *Pay and allowances of the Secretary.*—The Secretary shall be entitled to a pay and allowances including T.A. and H.A. and shall be subject to such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.

22. *Restriction on delegation of powers.*—(1) The Board shall not delegate any administrative or financial power to any Committee other than the Executive Committee.

2) The Board shall not delegate any of the following powers to the Executive Committee:—

- (a) the power to sanction expenditure in excess of Rs. 10,000 in respect of any one item.
- (b) the power to adopt the Budget Estimates of the Board on its behalf.
- (c) the power to sanction expenditure to be incurred outside India in excess of Rs. 5,000 in respect of any one item.
- (d) the power to reappropriate estimated savings in excess of Rs. 2,500 in the case of any one item.
- (e) the power to write off losses in excess of Rs. 500 in any one case.

23. *Appointments.*—(1) Save as provided for in sub-section (1) of section 9 of the Act, all appointments to posts of officers and employees under the Board shall be made by the Board.

(2) The Board shall, from time to time, fix the scale of establishment and the salaries and allowances of all officers and employees to be appointed by it and require security in such instances and for such amount as it thinks fit:

Provided that no post of which the salary or the maximum salary is Rs. 500 per mensem or more shall be created and filled without the previous sanction of the Central Government.

24. *Allowances and remuneration.*—Save with the previous sanction of the Central Government, no remuneration other than travelling allowance and halting allowance shall be made to any member on account of his service as such.

25. *Custody and disbursement of funds.*—(a) The proceeds of the custom duty levied under section 13 of the Act shall first be credited to the Consolidated Fund of India.

(b) The proceeds of the customs duty, after deducting the expenses of collection shall then be credited to the "Coir Improvement Fund" under section "P—Deposits not bearing interest (B)—Reserve Funds".

(c) The licence fees levied and collected by the Board shall be credited to the Coir Fund.

(d) All expenditure of the Coir Board shall be charged to a separate minor head under the Major Head "43-Industries and Supplies". The expenditure will be met from the Coir Fund to which payments to be made by the Central Government to the Board under section 14 of the Act shall also be credited.

(e) The current accounts of the Board shall be kept in banks approved by the Central Government.

(f) Withdrawal of funds shall require the sanction of the Chairman or Vice-Chairman.

(g) Payments by or on behalf of the Board shall be made in cash or cheque drawn against a current account of the Board.

26. *Sending persons abroad.*—The Board shall not send any officer of the Board or any member to places outside India without the previous sanction of the Central Government.

27. *Reports and Returns.*—The Board shall submit to the Central Government a half-yearly report and an annual report on its activities and the work of the Act, within three months from the expiry of the period to which report relates.

#### SCHEDULE

#### FORM I

[See rule 14(5)]

#### *Supplementary estimate of Expenditure*

Head of Account	Sanctioned estimate for the year	Expenditure up-to-date	Estimated Expenditure for the rest of the year	Additional grant required	Remarks (Here briefly explain the reasons for the additional grant)

## FORM 2

{See rule 18(3)}

## Abstract of Receipts.....19 ..

Serial No.	Head of Account	April		May		Progressive Total		Progressive Total	March		Progressive Total	Remarks
		Vr. No.	Amount Rs. As. P.	Vr. No.	Amount Rs. As. P.	Rs. As. P.		Rs. As. P.	Vr. No.	Amount Rs. As. P.	Rs. As. P.	

## ABSTRACT OF DISBURSEMENTS FOR.....I

Serial No.	Head of Account	Original	Grant modification during the course of the year.		Final grant at the end of the year	Outlay to end of previous year brought forward	Transactions for the year.							Remarks	
			Authority & particulars	Amount (Addition or deduction)			April		May		Progressive total	March			Progressive Total
							Vr. No.	Amount	Vr. No.	Amount		Vr. No.	Amount		
		Rs. As. P.		Rs. As. P.	Rs. As. P.	Rs. As. P.		Rs. As. P.		Rs. As. P.			Rs. As. P.		

## FORM 3

(See proviso to rule 18)

*Annual account of assets and liabilities as well details of resources and investments for.....*

<i>Receipts</i>	<i>Expenditure</i>
I. To opening balance	I. Administration
II. Moneys received under Sec. 14 of the Act	II. Measures for promoting sale and consumption of Coir and Coir products.
III. Any other money received by the Board	III. Research
IV. Interest received from investment of moneys	IV. Statistics
	V. Others
	VI. Assets and Liabilities Adjustment
	VII. Closing balance

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